



State of Tennessee
Health Services and Development Agency

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AGENDA

Davy Crockett Tower
500 James Robertson Parkway
1st Floor Conference Room – Room 160
Nashville, TN

Wednesday, April 26, 2017
8:30 a.m. CDT

- I. CALL TO ORDER
- II. ROLL CALL
- III. DIRECTOR'S ANNOUNCEMENTS
- IV. APPROVAL OF MINUTES
- V. STATE HEALTH PLAN UPDATE
 - A. Update: Jeff Ockerman, Director of Health Planning, Department of Health
- VI. CONSENT CALENDAR
 - A. Good Samaritan Society - Fairfield Glade, Crossville (Cumberland County), TN – CN1702-006
The addition of 30 Medicare beds to the existing 30 bed nursing home for a total of 60 beds. All 60 beds will be dually certified for Medicare/Medicaid (TennCare). The 30 beds are subject to the 125 Nursing Home Bed Pool for 2016-2017. The application is filed as a replacement for CN1407-031A which expired before project completion. The estimated project cost is \$6,741,682.73.
- VII. CERTIFICATE OF NEED APPLICATIONS
 - A. Tennessee Nursing Services of Morristown, Inc. d/b/a SunCrest Home Health, Jefferson City (Jefferson County), TN – CN1612-042
The relocation of the applicant's principal office from Claiborne County to Jefferson County, TN. The service area consists of Campbell, Claiborne, Cocke, Grainger, Greene, Hamblen, Hancock, Hawkins, Jefferson, Sullivan, and Union Counties. The estimated project cost is \$306,432.
 - B. TriStar Skyline Medical Center, Nashville (Davidson County), TN – CN1612-041
The transfer of 31 medical-surgical beds from TriStar Skyline's satellite campus located at 500 Hospital Drive, Madison (Davidson County), TN, into newly constructed space at its main campus at 3441 Dickerson Pike, Nashville (Davidson County). The estimated project cost is \$30,038,000.

- C. Watauga Orthopaedics, PLC, Kingsport (Sullivan County), TN — CN1701-001
The initiation of MRI services and the addition of a 0.3 Tesla extremity magnetic resonance imaging (MRI) scanner limited to the patients of Watauga Orthopaedics, PLC located at 875 Larry Neil Way, Kingsport (Sullivan County), TN 37660. The estimated project cost is \$914,439.
- D. Starr Regional Medical Center-Etowah, Etowah (McMinn County), TN — CN1701-002
The expansion of the hospital's existing fourteen (14) bed geri-psychiatric unit to eighteen (18) beds. Upon opening the four (4) additional proposed beds, the applicant will close four (4) general hospital beds at Etowah with the result that the licensed beds at Etowah (72) and the total consolidated licensed beds (190) for both the Etowah and Athens hospitals will not change. The estimated project cost is \$621,351.
- E. Middle Tennessee Imaging, LLC d/b/a Premier Radiology, Murfreesboro (Rutherford County), TN — CN1701-003
The establishment of an Outpatient Diagnostic Center, initiation of MRI services, and acquisition of a fixed MRI unit in leased space at 2723 New Salem Highway, Murfreesboro (Rutherford County), TN. The estimated project cost is \$2,626,335.46.
- F. Saint Francis Hospital Bartlett, Arlington (Shelby County), TN — CN1701-004
The establishment of a full service, 24 hour per day/7 day per week satellite emergency department to be located at an unnamed street address at an undeveloped parcel of land located at the southeast corner of I-40 and Airline Road, Arlington (Shelby County), Tennessee. The proposed facility will be operated as a satellite emergency department of Saint Francis Hospital-Bartlett, located at 2986 Kate Bond Road, in Bartlett (Shelby County), TN and will have 12 treatment rooms and will provide emergency diagnostic and treatment services. The estimated project cost is \$12,857,628. **OPPOSITION: Baptist Memorial Hospital-Memphis and Methodist Healthcare.**

Simultaneous Review - St. Francis Hospital Bartlett - CN1701-004 and Baptist Memorial Hospital – CN1701-005 will be heard as a simultaneous review.

- G. Baptist Memorial Hospital, Memphis (Shelby County), TN — CN1701-005
The establishment of a full service, 24 hour per day/7 day per week satellite emergency department to be located at an unnamed street address north of the intersection of Interstate 40 and Airline Road on the eastside, in Arlington (Shelby County), Tennessee. The proposed facility will be operated as a satellite emergency department of Baptist Memorial Hospital located at 6019 Walnut Grove Road in Memphis (Shelby County) and will have 10 treatment rooms and will provide emergency diagnostic and treatment services. The applicant is owned by Baptist Memorial Health Care Corporation. The project will be developed, operationalized and marketed through a joint operating agreement between Baptist Memorial Hospital and Regional One Health. The estimated project cost is \$9,993,779. **OPPOSITION: Methodist Healthcare and Saint Francis Hospital Bartlett.**

Simultaneous Review - St. Francis Hospital Bartlett - CN1701-004 and Baptist Memorial Hospital – CN1701-005 will be heard as a simultaneous review.

- H. Lebanon Surgery Center, LLC, Lebanon (Wilson County), TN — CN1702-007
The establishment of a multi-specialty ambulatory surgical treatment center (ASTC) to be located in an existing building on the southwest corner of the campus of Tennova Healthcare-Lebanon located at 1411 Baddour Parkway, Lebanon, (Wilson County), TN 37087. The ASTC will include four operating rooms and one procedure room as part of the proposed multi-specialty ASTC. The estimated project cost is \$2,494,000. **OPPOSITION: Tennessee Orthopedics, PC.**

VIII. GENERAL COUNSEL'S REPORT

- A. Metro Knoxville HMA, LLC, d/b/a, North Knoxville Medical Center, Powell (Knox County), TN - CN1206-027AM

North Knoxville Medical Center requests a modification from a mobile to a fixed service.

Unanimously approved on September 26, 2012 for the initiation of mobile Positron Emission Tomography - Computerized Tomography (PET/CT) Services 1 day per week.

CT did not require CON approval, but some machines combine PET/CT capabilities.

Modification to 3 days per week unanimously approved on February 25, 2015.

The equipment acquisition itself would not require a CON.

- B. Contested Case Update

IX. RULEMAKING

The Agency will consider whether to adopt as permanent rule the Emergency Rule, adopted at its February 22, 2017 meeting, regarding quality measures. The Agency is directed to adopt quality standards by TCA § 68-11-1633, which provides:

Development of measures for assessing quality of entities receiving certificate of need -- Failure to meet quality measures -- Penalties.

(a) In consultation with the state health planning division and the board for licensing healthcare facilities or the department of mental health and substance abuse services, whichever is appropriate, and subject to § 68-11-1609(h) the agency shall develop measures by rule for assessing quality for entities that, on or after July 1, 2016, receive a certificate of need under this part. In developing quality measures, the agency may seek the advice of stakeholders with respect to certificates of need for specific institutions or services.

(b) If the agency determines that an entity has failed to meet the quality measures developed under this section, the agency shall refer that finding to the board for licensing healthcare facilities or the department of mental health and substance abuse services, whichever is appropriate, for appropriate action on the license of the entity under part 2 of this chapter.

(c) If the agency determines that an entity has failed to meet any quality measure imposed as a condition for a certificate of need by the agency, the agency may impose penalties pursuant to § 68-11-1617 or revoke a certificate of need pursuant to § 68-11-1619.

The Agency will also consider whether to adopt as permanent rule reporting requirements to enable administration of T.C.A. § 68-11-1609(h), which provides as follows:

The agency shall maintain continuing oversight over any certificate of need that it approves on or after July 1, 2016. Oversight by the agency shall include requiring annual reports concerning continued need and appropriate quality measures as determined by the agency. The agency may impose conditions on a certificate of need that require the demonstration of compliance with continued need and quality measures; provided, that conditions for quality measures may not be more stringent than those measures identified by the applicant in the applicant's submitted application.

X. ADJOURNMENT